

National Policies Facing Global Challenges: Tendencies towards Convergence and its Implications for Innovation Policy-Making in Developing States

The aim of the article is to analyse the development of the innovation policies in the Central and Eastern European (CEE) countries since the beginning of the 1990s by concentrating upon two research questions: a) how the tendency towards policy convergence (Pollitt, 2007; 2001) has impacted the emergence of the innovation policy and the development of national systems of innovation (Freeman, 1987; Lundvall, 1992; Nelson, 1993) in the CEE countries; b) whether the resulting policy context in the CEE countries is compatible with the new global trends of innovation theories, especially with the concept of 'open innovation' (Chesbrough, 2003; Chesbrough et al., 2008).

Firstly, based on literature review (including both theoretical approaches to innovation policy as well as country studies in policy development and transfer in the CEE since the 1990s) and stylised facts, we will highlight the trajectories of innovation policy development by merging together the literature focusing on innovation policy development and implementation and the administrative capacity in the CEE. Viz., it is not possible to fully analyse the development of a policy trajectory without looking together both at the policy content (e.g. the goal of innovation policy) and policy capacity (e.g. the institutional set-up for implementing policies) (e.g. Painter and Pierre, 2005). We aim to show that these two sides of a policy have had a reinforcing convergence effect on formal policy-making that has led to a specific de-contextualised policy trajectory in the CEE.

Secondly, we will conduct an analysis of the suitability of 'open innovation' (as an example of a new conceptual approach to innovation) to the innovation policy trajectory of the CEE countries using a single country case study of Estonia (based both on in-depth interviews with policy makers as well as desk research on innovation policy programmes and measures; preliminary results published in De Jong et al. 2008, e.g. research conducted on the implications of 'open innovation' on innovation policy development). Estonia is an example of a country that is explicitly developing its innovation policy in the framework of the latest developments in more developed countries (Piech and Radošević, 2006). Therefore, it can be hypothesised that Estonia has rather strongly followed the convergence trajectory of innovation policy discourse and therefore offers a good case for analysing whether the actual context has been suitable for the policy trajectory that is leading towards 'open innovation' type approaches to innovation.

The analysis, which tracks down the development of the innovation policy in the CEE since the beginning of the 1990s shows that the specific trajectory of innovation has resulted in the neglect or systematic under-emphasis of the three critical issues of innovation policy in the CEE. Firstly, Pollitt (2007; 2001) has observed that over the last decades there has been a trend towards convergence of policy talk and formal decisions (but not real policy actions and results) towards common approaches and generic models in many spheres of public administration and policy. It has led to the de-contextualisation of policy models and approaches by limiting the variables that are used as an explanatory tool. In developed countries there has been a shift from industrial to innovation policies e.g. from sectoral and technology based approaches to more systemic views (Soete, 2007). The CEE countries have been following this trajectory mainly by putting emphasis on innovation policy discourse. Therefore, innovation policy development in the CEE has lacked emphasis on historical and contextual factors resulting in fragmented innovation and lacking industrial policies in many parts of the region (Török, 2007).

Secondly, we argue that if we put together policy convergence trends (in formal talk and decisions) and catching-up goals of the CEE countries, we can see even further legitimisation of simple imitation and policy copying based on these generic models and policy designs. It has been both voluntary (e.g. mimetic and normative isomorphism; see Pollitt, 2001), because the CEE countries

have rather strongly relied on the policy concepts that the developed countries have proposed (e.g. Washington Consensus policies for macro-economic stabilisation) or developed for themselves (e.g. innovation policy measures), as well as coercive (e.g. top-down Europeanisation and EU conditionality). This has further limited the discursive framework that has been used as a normative basis for policy analysis and development. This has created a normative inclination towards neo-liberal, strongly market-dominated and positivist policy approaches that have reinforced de-contextualisation trends.

Thirdly, the abovementioned trends have gradually reduced the importance of different capacities that underline the systems of innovation – technological capacity and congruence, absorption capacity, entrepreneurial capacities, wider social capacities (e.g. Soete, 2007) and lastly, policy/administrative capacities (Painter and Pierre, 2005). This has severely restricted the capacity of the CEE countries to develop sustainable innovation policies that take into account local contextual needs and aim towards transforming from catching-up development to sustainable competitive development. Therefore we argue that the policy analysis capacities in the CEE countries are rather limited and de-contextualised both in terms of the lessons learned from the developed countries as well as in terms of the policies developed for the local context.

Finally, we will argue in our case study on Estonia that the ‘open innovation’ approach in its current form threatens to further de-contextualise the policy analysis and policy making context, especially in developing countries, as it pays rather limited attention to the abovementioned capacities. Thus, we will state that even if ‘open innovation’ provides new opportunities in the context of developed countries and can be used as a medicine to remedy current competitiveness and growth problems, it may have opposite implications in the context of less developed countries. By further distancing itself from explicit consideration and analytical attention to the capacities of the innovation system, the open innovation concept may lead developing countries towards a path, which is not in their capacity to follow, and will also reinforce de-contextualised convergence of the innovation policy discourse.

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